TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

No. 536 ~~287~~ 85

JAMES ADAMS, APPELLANT,

vs.

ALPHEUS W. BURKS.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE DISTRICT OF MASSACHUSETTS.

FILED DECEMBER 14, 1871.

SUPREME COURT OF THE UNITED STATES.

No. 536.

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5 UNITED STATES OF AMERICA,
Massachusetts District, ss:

At a circuit court of the United States for the first circuit, begun and holden at Boston, within and for the district of Massachusetts, on Monday the sixteenth day of October, in the year of our Lord one thousand eight hundred and seventy-one, (the fifteenth day of said October happening on a Sunday,) before the Honorable George F. Shepley, circuit judge.

JAMES ADAMS, COMPLAINANT,
v.
ALPHEUS W. BURKS, DEFENDANT. } In equity.

6 The bill of complaint in this cause was filed in the clerk's office on the nineteenth day of April, A. D. 1870, and was duly entered at the May term of this court, A. D. 1870; and is in the words and figures following, namely:

7 *Bill of complaint.—Filed April* 19, 1870.

Circuit court of the United States, district of Massachusetts.

JAMES ADAMS
v.
A. W. BURKS. } In equity.

To the honorable the judges of the circuit court of the United States for the district of Massachusetts:

James Adams, of Natick, county of Middlesex, and Commonwealth of Massachusetts, brings this his bill of complaint, against A. W. Burks, of said Natick.

And thereupon your orator complains and says:

1st. That James S. Merrill, now of Mechanics Falls, Androscoggin County, State of Maine, was and is the first and original inventor of a certain new and useful improvement in coffin-lids, fully described in the letters-patent herein mentioned, and which had not been known or used before his said invention, and which was not, at the time of the application for a patent, hereinafter described, in public use or on sale with his consent and allowance.

2d. And your orator further showeth unto your honors that the said Merrill, being so as aforesaid the first and original inventor and discoverer of said improvement, thereafterwards, to wit, on or about the tenth day of March, A. D. 1863, by an assignment in writing of that date, duly executed, did assign unto himself and George W. Horner, now of said Mechanics Falls, all his right, title, and interest in said invention and improvement, and the interest which the said Merrill may have in and to the said invention and improvement, in consequence of the grant of letters-patent therefor.

3d. And your orator further showeth unto your honors that the said Merrill and Horner did, on the twenty-sixth day of May, A. D. 1863, upon due application therefor, obtained letters-patent of the
8 United States, for said invention, in due form of law, under the seal of the Patent-Office of the United States, signed by the Secretary of the Interior, and countersigned by the Commissioner of Patents, bearing date the twenty-sixth day of May, A. D. 1863, and num-

bered 38713, whereby there was secured and granted to the said James S. Merrill and George W. Horner, their heirs, administrators, or assigns, for the term of seventeen years from and after the date of said letters-patent, the full and exclusive right and liberty of making, constructing, using, and vending to others to be used, the said invention and improvement as set forth in said letters-patent, which are now on record in the Patent-Office of the United States; and by virtue whereof, and of said assignment, said Merrill and Horner became the sole owners of all the rights and privileges granted and secured in and by said letters-patent.

4th. And your orator further showeth unto your honors that the said James S. Merrill and George W. Horner, on the second day of June, A. D. 1868, by an assignment in writing of that date, duly executed, did assign, sell, and set over unto the said James Adams, your orator, all the right, title, and interest which the said Merrill & Horner had in said invention secured by said letters-patent, for, to, and in the town of Natick aforesaid, and Sherborn, in said Middlesex County.

5th. Yet the said A. W. Burks, the defendant, as aforesaid, well knowing the premises and the rights secured to your orator as aforesaid, but contriving to injure your orator, and to deprive him of the benefits and advantages which might and otherwise would accrue unto him from said invention, after said assignments to your orator, did, as your orator is informed and believes, without license or allowance, and against the will of your orator, and in violation of his rights, and in infringement of the said letters-patent, No. 38713, use and vend to others to be used, coffins made according to, and employing, containing, and using, said invention and improvement, or substantial and material parts thereof, and did cause the same to be done, and that the said defendant still continues so to do.

6th. And your orator further showeth unto your honors that the aforesaid doings of the defendant are in defiance of the rights acquired by and secured to your orator, and to his great loss and injury, by which he has been and still is deprived of great gains and profits which
9 he might otherwise have obtained; but which have been received and enjoyed, and are still received and enjoyed, by said defendant, by and through his aforesaid unlawful doings and acts.

7th. And your orator further showeth unto your honors, on information and belief, that the said defendant has used and sold large quantities of coffins containing said improvement, and has a large quantity on hand, which he is offering to sell, and has made and realized large profits therefrom, but to what extent, and how much exactly, your orator does not know, and prays a discovery thereof; and your orator says that the use and sale of said invention by the defendant, and his determination to continue the same, and his other aforesaid unlawful acts in disregard and defiance of the rights of your orator, have the effect to encourage and induce others to venture to infringe said patent in disregard of your orator's rights.

8th. And your orator further showeth that he has caused notice to be given to said defendant of said infringements, and of the rights of your orator in the premises, and requested him to desist therefrom; but he has disregarded said notice, and refused to desist from said infringements, and still continues to use and sell said improvement in coffin-lids as aforesaid.

9th. And your orator further showeth unto your honors, on information and belief, that the defendant in this suit has engaged in the infringement and unlawful acts complained of, in the said town of Natick, in said district of Massachusetts.

And your orator prays that the said defendant may, upon his corporal oath, and according to his best knowledge and belief, full, true, exact, and perfect answers make to the premises, and to all the several matters hereinbefore stated and charged, as fully and particularly as if severally and separately interrogated as to each and every of said matters; and may be compelled to account for, and pay to your orator the profits by him acquired, and the damages suffered by your orator from the aforesaid unlawful acts.

And your orator prays that the defendant, his servants, agents, attorneys, confederates, and workmen, and each and every of them may be restrained and enjoined by order and injunction of this honorable court, from, directly and indirectly, making, constructing, using, vending, delivering, working, or putting into practice, operation, or use, or in any
10 wise counterfeiting or imitating the said invention and improvement in coffin-lids made in accordance therewith, or like or similar to those which said defendant has heretofore used or sold. And that the defendant may be decreed to pay the costs of this suit, and that your orator may have such further relief, or such other relief as to this honorable court shall seem meet, and as shall be agreeable to equity.

May it please your honors to grant unto your orator the writ of injunction issuing out of this honorable court in due form of law, commanding, enjoining, and restraining the said defendant and his servants, agents, attorneys, confederates, and workmen as hereinbefore in that behalf prayed.

May it please your honors to grant unto your orator the writ of subpœna issuing out of and under the seal of this honorable court directed to the said defendant, commanding him by a certain day, and under a certain penalty, to be and appear in this honorable court then and there to answer the premises, and to stand and abide such order and decree as may be made against him; and your orator will ever pray.

JAMES ADAMS.

E. H. PIERCE,
Of Counsel for Claimant.

COMMONWEALTH OF MASSACHUSETTS, *Suffolk, ss:*

BOSTON, 13*th April*, 1870.

Personally appeared before me, the subscriber, a notary public duly commissioned and qualified in and for said county, the above-named James Adams, who made oath that he had read the bill above subscribed by him; that the same is true, of his own knowledge, except as to the matters and things therein stated on information and belief, and as to those things that he believes it to be true.

Before me,

[L. S.] CHAS. H. DREW, *Notary Public.*

11 On the first day of October, A. D. 1870, the following plea was filed, namely:

Plea.—Filed by consent, October 1*st*, 1870.

The plea of Alpheus W. Burks, defendant, to the bill of complaint of James Adams, plaintiff.

The defendant, by protestation, not confessing or acknowledging the matters and things in and by said bill set forth and alleged to be true

in manner and form as the same are therein set forth and alleged, for plea to the whole of said bill, says:

That the said James S. Merrill and George W. Horner, the patentees named in the letters-patent, numbered 38713, described in the plaintiff's bill, on the thirteenth day of March, A. D. 1865, by an assignment in writing *only* executed and recorded, did assign, sell, and set over to Lockhart and Seelye, of Cambridge, in the County of Middlesex, in said district of Massachusetts, all the right, title, and interest, which the said Merrill and Horner had in the invention described in said letters-patent, as by the same secured to said Merrill and Horner, for, to, and in a circle whose radius is ten miles, having the city of Boston as its centre.

That this defendant carries on the business of an undertaker, having his place of business in Natick, in said district; that in the exercise of his said business he is employed to bury the dead; that when so employed it is the custom of the defendant to procure hearses, coffins, and whatever else may be necessary or proper for burials, and to superintend the preparation of graves, and that his bills for his services in each case, and the coffin, hearse, and other articles procured by him, are paid by the personal representatives of the deceased; that since the date of the alleged assignment to the plaintiff of an interest in the invention secured by said letters-patert, the defendant has sold no coffins, unless the use of coffins by him in his said business, as above described, shall be deemed a sale; has used no coffins, except in his said business as aforesaid; and has manufactured no coffins containing said invention; and that since said date the defendant has used in his business as aforesaid in Natick or Sherborn, no coffin containing the invention secured by said letters-patent, except such coffins containing said invention, as
12 have been manufactured by said Lockhart and Seelye, within a circle, whose radius is ten miles, having the city of Boston as its centre, and sold within said circle by said Lockhart and Seelye, without condition or restriction.

All which matters and things the defendant doth aver to be true, and he pleads the same in bar to the plaintiff's said bill, and prays the judgment of this honorable court whether he should be required to make any other or further answer to the said bill; and prays to be hence dismissed with his costs and charges in that behalf most wrongfully sustained.

ALPHEUS W. BURKS.

I hereby certify that the foregoing plea is, in my opinion, well founded in point of law.

L. S. DABNEY,
Of Counsel for Def't.

COUNTY OF SUFFOLK, *ss:*

BOSTON, *Sept. 20th*, 1870.

Personally appeared the said Alpheus W. Burks, and made solemn oath that the statements contained in the foregoing plea by him subscribed, are true in point of fact; and that said plea is not interposed for delay.

Before me. Witness my hand and notarial seal.

[L. S.] CHA'S F. WALCOTT,
Notary Public.

13 This cause was thence continued to the October term of this court, A. D. 1870, when the same was set down for hearing upon the bill of complaint and plea of defendant, and was argued by counsel

for the respective parties; and, upon consideration thereof by the court, to wit, March 6, 1871, the said plea of defendant was adjudged good. This cause was thence continued to the May term of this court, A. D. 1871, when, to wit, June 19, 1871, an amendment to the bill of complaint was filed, by consent of counsel and leave of court, as follows, namely:

Amendment to bill of complaint.

To the honorable the judges of the circuit court of the United States for the district of Massachusetts:

And now comes James Adams, the complainant in the above-entitled cause, and by leave of court and consent of the respondent, and for amendment to the complainant's bill says:

14 That your orator further showeth that the coffins, containing said invention, sold and used by the defendant, as set forth in defendant's plea, were purchased by the said defendant of said Lockhart and Seelye, within said circle, and after the second day of June, A. D. 1868, the date of the assignment aforesaid to the complainant by said Merrill and Horner; that, previous to the defendant's purchasing said coffins from said Lockhart and Seelye, your orator caused notice to be given to said defendant of the rights of your orator in the premises and of the said assignment to your orator from said Merrill and Horner, and requested the said defendant not to purchase of said Lockhart and Seeyle, said coffins, to be used and sold by the defendant in said town of Natick, and not to use and sell said coffins in said town; but

15 the defendant has disregarded said notice and request, and refused to desist from purchasing, using, and selling as aforesaid, and still continues to use and sell said coffins in said Natick, purchased as aforesaid.

JAMES ADAMS.
By his attorney E. H. PIERCE.

16

17 On the sixteenth day of September, A. D. 1871, the following plea to the amended bill of complaint was filed, namely:

Plea.

The plea of Alpheus W. Burks, defendant to the amended bill of complaint of James Adams, plaintiff.

The defendant, by protestation, not confessing or acknowledging the matters and things in and by said bill, and the amendment thereof, set forth and alleged to be true, in manner and form as the same are therein set forth and alleged, for plea to the whole of said bill, and the amendment thereof, says:

That the said James S. Merrill and George W. Horner, the patentees named in the letters-patent, numbered 38713, described in the plaintiff's bill, on the thirteenth day of March, A. D. 1865, by an assignment in writing, only executed and recorded, did assign, sell, and set over to Lockhart and Seelye, of Cambridge, in the County of Middlesex, in said district of Massachusetts, all the right, title, and interest, which the said Merrill and Horner had in the invention described in said letters-patent, as by the same secured to said Merrill and Horner, for, to, and in a circle whose radius is ten miles, having the city of Boston as its centre.

That this defendant carries on the business of an undertaker, having

his place of business in Natick, in said district; that, in the exercise of his said business, he is employed to bury the dead; that when so employed it is the custom of the defendant to procure hearses, coffins, and whatever else may be necessary or proper for burials, and to superintend the preparation of graves, and that his bills for his services in each case, and the coffin, hearse, and other articles procured by him, are paid by the personal representatives of the deceased; that, since the date of the alleged assignment to the plaintiff of an interest in the invention secured by said letters-patent, the defendant has sold no coffins, unless the use of coffins by him in his said business, as above described, shall be deemed a sale; has used no coffins, except in his said business as aforesaid; and has manufactured no coffins containing said invention; and that since said date the defendant has used in his business as aforesaid, in Natick or Sherborn, no coffin containing the invention secured by said letters-patent, except such coffins containing said invention, as have been manufactured by said Lockhart and Seelye, within a
18 circle, whose radius is ten miles, having the city of Boston as its centre, and sold within said circle by said Lockhart and Seelye, without condition or restriction.

All which matters and things the defendant doth aver to be true, and he pleads the same in bar to the plaintiff's said bill, and the amendment thereof; and prays the judgment of this honorable court whether he should be required to make any other or further answer to the said bill and amendment; and prays to be hence dismissed with his costs and charges in that behalf most wrongfully sustained.

ALPHEUS W. BURKS.

I hereby certify that the foregoing plea is, in my opinion, well founded in point of law.

L. S. DABNEY,
Of Counsel for Def't.

COUNTY OF MIDDLESEX, *ss:*

NATICK, *September* 16, 1871.

Personally appeared the said Alpheus W. Burks, and made solemn oath that he has read and knows the contents of the foregoing
19 plea by him subscribed, and that the statements therein contained are true in point of fact; and that the said plea is not interposed for delay.

Before me. Witness my hand and notarial seal.

[NOTARIAL SEAL.] NEWTON MORSE,
Notary Public.

This cause was thence continued to this present October term, of this court, A. D. 1871, when the same is set down for hearing upon the bill of complaint as amended, and the plea of defendant thereto, and is fully heard; and, upon consideration thereof by the court, to wit, Oct. 31st, 1871, the said plea of defendant to the amended bill of complaint is adjudged good; and it is thereupon ordered, adjudged, and decreed, that the bill of complaint in this cause be, and the same is hereby, dismissed with costs for the defendant, taxed at thirty-three dollars and fifty-three cents.

20 Whereupon the complainant, in open court, claims an appeal from the aforesaid decree of this court, to the Supreme Court of the United States, and the same is allowed by the court; and the complainant gives good and sufficient security, that he will prosecute his

appeal to effect, and answer all damages and costs if he shall fail to make his plea good; which security is approved by the court.

A true record,

Attest: JOHN G. STETSON, *Clerk.*

UNITED STATES OF AMERICA,
District of Massachusetts, ss:

I, John G. Stetson, clerk of the circuit court of the United States for the first circuit, district of Massachusetts, do hereby certify that
21 the foregoing is a true copy of the record and of all proceedings in the cause of James Adams, complainant in equity, versus Alpheus W. Burks, defendant, in this court determined.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of said court at Boston, in said district, this fourteenth day o November, in the year of our Lord one thousand eight hundred and seventy-one, and of the Independence of the United States the ninety-sixth.

[SEAL.] JOHN G. STETSON, *Clerk.*

22

23 *Bond to party on appeal.*

Know all men by these presents that we, James Adams and N. B Tash, both of Natick, in district of Massachusetts, in United States of America, are held and firmly bound unto A. W. Burks, of said Natick, in the full and just sum of five hundred dollars, to be paid to the said A. W. Burks, his certain attorney, executors, administrators, or assigns; to which payment, well and truly to be made, we bind ourselves, our heirs, executors, and administrators, jointly and severally, by these presents, sealed with our seals, and dated the thirty-first day of October, in the year of our Lord one thousand eight hundred and seventy-one.

Whereas lately at a term of the United States circuit court for the district of Massachusetts, in a suit in equity depending in said court between James Adams aforesaid and the said A. W. Burks, decree was rendered against the said James Adams, and the said James Adams, having obtained an appeal to remove the said cause to the Supreme Court of the United States to reverse the decree in the aforesaid suit, and a citation directed to the said A. W. Burks, citing and admonishing him to be and appear at a Supreme Court of the United States, to be holden at Washington, on the first Monday of December next.

Now, the condition of the above obligation is such, that if the said James Adams shall prosecute his said appeal to effect, and answer all damages and costs if he fail to make his plea good, then the above obligation to be null and void; otherwise to remain in full force and virtue.

JAMES ADAMS. [L. S.]
N. B. TASH. [L. S.]

Signed, sealed, and delivered in presence of—
A H. TROWBRIDGE, to N. B. TASH.

Approved:

G. F. SHEPLEY,
U. S. Circuit Judge.

A true copy of the bond taken by the judge at the time of allowing the appeal named in said bond, which bond is on file in the office of the

clerk of the circuit court of the United States for the first circuit and district of Massachusetts.

Attest:

JOHN G. STETSON,
Clerk U. S. C. C., Mass. Dist.

(Indorsement on cover:) No. 536. James Adams, appellant, vs. Alpheus W. Burks, Massachusetts C. C. U. S. Filed 14th December, 1871.

Supreme Court of the United States.

JAMES ADAMS, APPELLANT,

vs.

ALPHEUS W. BURKS.

APPEALS FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE DISTRICT OF MASSACHUSETTS.

ARGUMENT

OF

JAMES ADAMS, APPELLANT.

1. The appellant filed his bill of complaint, duly sworn to, in the Circuit Court of the United States for the district of Massachusetts, April 19, 1870, and in said bill sets forth: —

1st. That May 26, 1863, James S. Merrill and George W. Horner obtained letters patent of the United States, issued in due form of law, for a certain new and useful improvement in coffin lids, whereby there was secured to the said Merrill and Horner, their heirs, administrators, or assigns, for the term of seventeen years from said May 26, 1863, the full and exclusive right and liberty of making, constructing, using, and vending to others to be used, the said improvements in coffin lids.

Transcript of Record, p. 1.

2d. That June 2, 1868, the said Merrill and Horner, by an assignment in writing of that date, duly executed, assigned to James Adams, of Natick, county of Middlesex, in said district of Massachusetts, all the right, title, and interest which the said Merrill and Horner had in said invention, secured by said letters patent for, to, and in the town of Natick aforesaid, and Sherborn, in said county of Middlesex.

Transcript of Record, p. 2.

3d. That A. W. Burks, after said assignment to said Adams, and without his license, and in violation of said Adams' rights, used, and vended to others to be used, coffins containing said patented improvements, in said Natick, and was continuing so to do.

Transcript of Record, p. 2, secs. 5, 9.

4th. That said Adams notified said Burks of said infringement, and of his rights under said assignment, and requested Burks to cease using and selling coffins containing said improvement in coffin lids; but the said Burks disregarded said notice, and continues to use and sell said coffins.

Transcript of Record, p. 2, sec. 8.

5th. The bill prays for an injunction against Burks.

Transcript of Record, p. 3.

To this bill Burks filed, Oct. 1, 1870, a plea in bar, in which he sets forth :—

1st. That March 13, 1865, said Merrill and Horner, the patentees, assigned to Lockhart and Seelye all the right, title and interest which the said Merrill and Horner had in the invention described in said letters patent for, to and in a circle whose radius is ten miles, having the city of Boston as its centre.

Transcript of Record, p. 4.

2d. That Burks is an undertaker in said Natick ; that in the exercise of his business he is employed to bury the dead ; that when so employed it is his custom to procure hearses, coffins, and whatever else may be necessary for burials, and that his bills for his services, and the coffin, hearse, and other articles procured by him, are paid by the personal representatives of the deceased ; that since the date of the assignment to Adams he has sold no coffins, unless the use of coffins by him in his business shall be deemed a sale ; has used no coffins except in his business as aforesaid, and has manufactured no coffins containing said invention ; and that since said assignment, he has used in his business in Natick no coffins containing the invention secured by said letters patent, except such coffins containing said invention as have been manufactured by said Lockhart and Seelye within said circle and sold within the same by Lockhart and Seelye without condition or restriction.

Transcript of Record, p. 4.

June 19, 1871, Adams filed, by consent, an amendment to his bill of complaint, in which he states that the patented coffins used and sold by Burks, as set forth in his plea, were purchased by Burks of Lockhart & Seelye, within said circle, and after the assignment to him ; that previous to Burks purchasing said coffins, Adams notified him of his assignment and requested him not to purchase of Lockhart & Seelye said coffins to be used and sold in said Natick, and not to use and sell said coffins in Natick, and that Burks refused to desist from purchasing, using and selling the same, and continues to use and sell said patented coffins in Natick, purchased of Lockhart & Seelye after said notice.

Transcript of Record, p. 5.

Sept. 16, 1871, Burks filed a plea in bar to the amended bill, which plea is *ipsissimis verbis* with that filed in bar of the original bill.

Transcript of Record, pp. 5, 6.

October term, 1871, of said Circuit Court, this cause was set down for a hearing upon amended bill and plea, and said plea was adjudged good, and the bill dismissed.

Transcript of Record, p. 6.

Adams appeals from said decree to this Court, which appeal is allowed, good security having been given to prosecute the appeal to effect.

Transcript of Record, p. 7.

2. The decree adjudging the plea good is erroneous.

1st. Because said plea admits *sale* of the patented coffins, and sets up no new matter in defence of the same.

2d Because the new matter set up in the plea in defence of the *use* of the patented coffins is not in law a sufficient answer to the bill of complaint, as will more fully appear in the argument submitted under the third heading.

3. The allegations in the bill, and the amendment thereof, are admitted so far as they are not denied by the plea. The protestation prefacing the plea is employed to prevent any conclusion in case the plea is overruled, and leave to answer obtained.

Story's Equity Pleading (Redfield's ed.), sec. 694.

What allegations then are admitted: —

1st. The validity of the letters patent granted to Merrill and Horner.

Transcript of Record, p. 1, sec. 3.

2d. The assignment to Adams by Merrill and Horner of all their right, title and interest in said patent for, to and in the towns of Natick and Sherborn.

Transcript of Record, p. 2, sec. 4.

3d. That previous to the purchase by Burks of the patented coffins from Lockhart and Seelye, Adams notified him of his assignment from Merrill and Horner, and requested Burks not to purchase said coffins of Lockhart and Seelye to be used and sold by him in Natick, and not to use and sell said coffins purchased as aforesaid.

Transcript of Record, p. 2, sec. 8; p. 5 amended bill.

4th. Burks, after receiving said notice, purchased the patented coffins of Lockhart and Seelye, within the territory assigned to them, and used and sold the same in Natick, and continues so to do.

Transcript of Record, p. 2, secs. 5, 9; p. 5 amended bill.

New matter is set up in the plea in bar of certain allegations in the bill.

March 13, 1865, Merrill and Homer, the patentees, assigned all their right in said letters patent to Lockhart and Seelye, for, to and in a circle whose radius is ten miles, having the city of Boston as its centre.

Transcript of Record, p. 4.

There is no claim in the plea that this circle includes the towns of Natick and Sherborn. If it is claimed that these towns are included within the circle, then the plea should have so alleged. As a matter of fact, Natick and Sherborn are not within said circle.

The bill charges Burks with using and selling the patented coffins in Natick, after the assignment to Adams. The plea says that Burks is "an undertaker, having his place of business in Natick, in said district; that in the exercise of his said business, he is employed to bury the dead; that when so employed, it is the custom of the defendant (Burks), to procure hearses, coffins, and whatever else may be necessary or proper for burials, and to superintend the preparation of graves, and that his bills for his services in each case, and the coffin, hearse, and other articles procured by him, are paid by the personal representatives of the deceased; that since the date of the alleged assignment to the plaintiff, of an interest in the invention secured by said letters patent, the defendant has sold no coffins, unless the use of coffins by him in his said business, as above described, shall be deemed a sale; has used no coffins except in his said business as aforesaid; and has manufactured no coffins containing said invention; and that since said date the defendant has used in his business as aforesaid, in Natick or Sherborn, no coffins containing the invention secured by said letters patent, except such coffins containing said invention as have been manufactured by said Lockhart & Seelye, within a circle, whose radius is ten miles, having the city of Boston as its centre, and sold within said circle by said Lockhart & Seelye, without condition or restriction."

Transcript of Record, pp. 4, 6.

It is evident that the procuring of a coffin for the burial of the dead in Natick, and payment of price of coffin to Burks by the representatives of the deceased, constitutes a sale.

Burks says that the coffins *used* in his business, since the assignment to Adams, were purchased of Lockhart and Seelye within said circle.

Transcript of Record, pp. 4, 6.

He admits the *use* of the coffins, and pleads purchase of the same from Lockhart and Seelye in bar.

There is no denial of the *sale* of the coffins as alleged, and *no new matter is set up in bar of said sale.* Attention is called to the language of the plea: "Since said date (the assignment to Adams) the defendant has *used* in his business, as aforesaid, in Natick and Sherborn, no coffins containing the invention secured by said letters patent, except such coffins containing said invention as have been manufactured by said Lockhart and Seelye within a circle, whose radius is ten miles, having the city of Boston as its centre, and sold within said circle by said Lockhart and Seelye, without condition or restriction."

Transcript of Record, pp. 4, 6.

Purchase from Lockhart and Seelye is Burks' defence to the charge of *using* the coffins. To the charge of *selling* he makes no defence.

It may be argued that the sale is indirectly denied, or the new matter set up in the plea is intended in bar of both use and sale.

Unless a plea is directly negative it is insufficient for a purely negative plea to the bill. A plea indirectly negative, or a plea reaching the point of negation through an affirmative proposition is bad.

Beames' Elements of Equity Pleading, p. 125.

If the new matter were intended to be pleaded in bar of both use and sale, it should clearly appear in the plea.

For the reasons above given, I claim that the decree was erroneous. Sale of the patented coffins is admitted, and no new matter is pleaded in bar of the same.

Adams waived no defect in the plea by setting down the cause for hearing. He could not demur to the plea. His only course was to set it down for argument, or take issue on the plea.

Equity Rules of the Circuit Court for the District of Massachusetts. Rules 33, 38.
Story's Equity Pleading (Redfield's Edit.), sec. 456.

The second error claimed in the decree embraces a question of vast importance to patentees and their assignees. Does the purchase of a patented article, manufactured and sold without restriction or

condition within his territory by the territorial assignee of a patent right, convey to the purchaser the right to use or sell the article in another territory, for which another person has an exclusive assignment of the same patent? This question, of so much importance and so likely to arise, has never been presented to the Supreme Court and authoritatively determined.

> Remarks of Sawyer, J., in McKay *vs.* Wooster. Official Gazette of U. S. Patent Office, April 22, 1873, p. 442.

Certain authorities are cited by the learned judge before whom this cause was tried in the Circuit Court, in support of the opinion given by him, that such a purchaser has the right to use or sell the patented article in the territory of another assignee.

> Adams *vs.* Burks, 4 Fisher's Patent Cases, p. 393.

The cases in the order in which they were decided in the Supreme Court are as follows: —

> Wilson *vs.* Rousseau, 4 How. 646.
> Bloomer *vs.* McQuewan, 14 How. 539.
> Chaffee *vs.* Boston Belting Co., 22 How. 217.
> Bloomer *vs* Millinger, 1 Wall. 350.

In Wilson *vs.* Rousseau, 4 Howard, 646, the facts are as follows: William Woodworth was the patentee of a planing machine. Upon his death his administrator applied to the commissioner for an extension of the patent under the 18th section of the patent act of 1836, which extension was granted. Woodworth's administrator then assigns the extended patent to Wilson. Rousseau, by a territorial assignment was, at the date of the extension, lawfully using one of the patented machines. Had Rousseau a right to use the machine during the term of the extended patent? That was the question presented to the Court. A majority of the Court decided that he had; that this right is given in the latter part of section 18, — "The benefit of such renewal shall extend to assignees and grantees of the right to use the thing patented, to the extent of their respective interests therein."

> Patent Act, 1836, 5 Lit. and Brown's ed., chap. 357, sec. 18, p. 125.

Nelson, J., in delivering the opinion of the Court says, that if it were not for this latter part of section eighteen, "the patented articles or machines throughout the country, purchased for practical

use in the business affairs of life would be embraced within the operation of the extension."

Wilson *vs.* Rousseau, 4 Howard, p. 682.

So far as this case goes, it does not support the opinion in Adams *vs.* Burks. On the contrary, it is against the position there taken. According to the learned judge in Adams *vs.* Burks, "the patented articles or machines throughout the country, purchased for practical use," having once been lawfully sold without condition or restriction, are "no longer within the limits of the monopoly and no longer under the peculiar protection granted to patented rights"; the purchasers acquired an "absolute title to the same, so that they may deal with them as if dealing with any other kind of property."

According to Nelson, J., these patented articles "are embraced within the operation of the extension." If they are not embraced within the extension, the latter part of section eighteen is unnecessary. According to the opinion of the learned judge in Adams *vs.* Burks, they are "no longer within the limits of the monopoly," and therefore Congress, in extending a patent, can enact no law affecting the use of these articles, without compensating the owners of the same, Congress having no right to take private property without compensation.

I submit that the Supreme Court in deciding that the addition of the clause, giving the benefit of renewals to assignees to the extent, etc., was necessary to take "the patented articles throughout the country purchased for practical use" out of the operation of the extension, decided in Wilson *vs.* Rosseau, against the theory advanced in later cases in regard to the thing patented passing outside "the limits of the monopoly."

Bloomer *vs.* McQuewan, 14 Howard, 539, is the next case.

Congress, in 1845, by a special act extended the patent for Woodworth's planing machine. The Board of Commissioners had extended it to 1843. In the special act was no clause forbidding the use of the machine by a party who had purchased the right to use a planing machine during the period to which the patent was first limited. Had such a party then a right to use the machine during the term of the extension granted by Congress? That was the question in this case. A majority of the Court decided that he had such a right. The act of 1836, in express terms, says the Court, gives the benefit of the extension authorized by that law to the assignees of the right to use the thing patented. A special act of Congress, in favor of the patentee, extending the time beyond that originally limited must be considered as engrafted on the general law. Under the general law, in force when this special act was passed, a party who had purchased the right to use a planing machine during the period to which the patent was first limited, was

entitled to continue to use it during the extension authorized by law. The rights of such a party not being defined in the special act, the Court says that they must be interpreted according to the general law in force when the special act was passed.

This certainly is not the question raised in Adams *vs.* Burks. There are certain *dicta* in Bloomer *vs.* McQuewan, which may seem to sustain the position taken in Adams *vs.* Burks.

"When a machine passes to the hands of the purchaser, it is no longer within the limits of the monopoly. It passes outside of it, and is no longer under the protection of the act of Congress."

Taney, C. J., Bloomer *vs.* McQuewan, p. 549.

The learned Chief Justice is speaking of a machine sold by the patentee, *no assignment of his rights under the patent having been made.* Such a purchaser would undoubtedly take the machine with the right to use or sell it, wherever he pleased. But Burks did not buy his patented coffins of Merrill & Horner, the patentees, and before they had parted with any interest in the patent.

Chaffee *vs.* Boston Belting Co., 22 Howard, 217, is the next case.

In this case the assignee of an extended patent sues certain parties for infringement of the patent. At the trial the defendants proved that Goodyear, while owner of the original term of the patent, granted to one Edwards a license for a specific purpose. The defendants proved that they, in using the machinery secured by the patent, conformed to the specifications contained in the license. But they did not prove any privity between themselves and the licensee. The Court, in instructing the jury, assumed title in the defendants. Upon exception to this ruling the verdict was set aside. The Court say that this "assumed fact finds no support in the evidence reported. It is clearly error for the Court, in its instruction to the jury, to assume a material fact as proved, of which there is no evidence in the case."

The point decided in this case has nothing in common with that involved in Adams *vs* Burks.

Certain *dicta* in the opinion of the learned judge who gave the decision of the Court may seem to support the opinion in Adams *vs.* Burks. These *dicta* are substantially the same as those referred to in Bloomer *vs.* McQuewan. I think it has been shown that these first cited *dicta* do not apply to a case like Adams *vs.* Burks. I submit that the facts upon which the *dicta* in Chaffee *vs.* Boston Belting Company are predicated are the same as those referred to in Bloomer *vs.* McQuewan.

Bloomer *vs.* Millinger, 1 Wall. 340, is the next case. The facts in this case are substantially the same as those in Bloomer *vs.* McQuewan. The question before the Court, and the decision rendered, are substantially the same as in Bloomer *vs.* McQuewan.

Clifford, J., in giving the decision of the Court in Bloomer *vs.* Millinger, says, that " When a patentee has himself constructed the machine and sold it, or authorized another to construct and sell it, . . . the consideration has been paid to him for the right, he has then to that extent parted with his monopoly, and ceased to have any interest whatever in the machine so sold, or so authorized to be constructed and operated."

Bloomer *vs.* Millinger, 1 Wall. 350.

When the patentee has sold the thing patented, no transfer of his interest in the patent having been made to affect his right to sell without condition or restriction, and the purchaser buys without condition or restriction, it may be that the patented thing so sold is no longer within the limits of the monopoly. When another *equally* authorized to construct and sell the thing patented, sells under similar conditions, it may also be that the patented thing so sold is no longer within the limits of the monopoly; neither the patentee nor his assignee would then have any interest in the thing sold. But in Adams *vs.* Burks, the patented article was bought of an assignee, who was prohibited from selling it in the territory embraced in the assignment to Adams. In the case put in Bloomer *vs.* Millinger, the patentee or assignee might sell the thing patented anywhere.

The above examined cases are all those decided by the Supreme Court, to which reference is made in Adams *vs.* Burks.

Two cases decided by the Circuit Court, for the district of Massachusetts, are cited in the opinion of the learned judge, in Adams *vs.* Burks.

Goodyear *vs.* Beverly Rubber Co. 1 Cliff. 348.
Aiken *vs.* Manchester Print Works, 2 Cliff. 435.

In Goodyear *vs.* Beverly Rubber Co., Goodyear was the patentee of an improved process for the manufacture of India rubber, and the product of said process. The other complainants were grantees under him of the exclusive right of making, using and vending to others to be used the said improvement. The respondents bought up the old worn out rubber shoes made by the complainant and his assignees under said patent for process of making and product. They there ground them up until they were reduced a finely pulverized substance. By a process in boiling, the sulphur in the substance was expelled as far as possible. Certain chemical materials were then incorporated with this substance which, after a certain process of drying, was used by the respondents in the manufacture of goods. It does not appear that any exclusive assignment of a territorial right had been conveyed by the patentee. The patentee, no assignment having been made of an exclusive territorial right, might by an unconditional sale of the rubber shoes, convey to the

purchaser, or the vendee of the purchaser, the right to use the shoes or the materials of which the shoes were made, where he pleased, how he pleased, and to sell them where and to whom he chose. Grantees and licensees of the exclusive right of making, using and vending to others to be used the said shoes, throughout the territory embraced in the patent, might also by an unconditional sale convey to the purchaser of the shoes or his vendee, a similar right. This, as I understand it, is the point decided in Goodyear *vs.* Beverly Rubber Co. But that is not the question now before your Honors. Goodyear, so far as it appears, and his grantees, had the right to sell the thing patented anywhere. Lockhart & Seelye, from whom Burks purchased the coffins, had no right to sell the coffins outside of a certain territory, and no right to use or sell the same in the territory where Burks used and sold them.

Aiken *vs.* Manchester Print Works, 2 Cliff. 435. In this case the plaintiff was the assignee of the entire interest of a patent for knitting machines, and also a patent for knitting machine needles, which needles were necessary for the successful use of the machines. The defendants purchased certain knitting machines of the plaintiff, with the right of using the same. Each machine contained a full set of patented needles, it being the custom of the plaintiff to send a package of the needles with the machine. When these needles were worn out, the defendant manufactured other similar needles to use with the machines. The plaintiff sues for infringement. The defendants claims that the sale of the machines by the plaintiff gave the right, when the needles which were made part of the purchase were worn out, to manufacture others, to replace those worn out. Had they this right, was the point in question. The Court instructed the jury that they had not.

I am aware that this Court holds itself entirely uncommitted by Circuit Court decisions. They are merely cases at *nisi prius*, and the matters there determined, are as open to discussion as ever. I have referred to the cases now, because they are used to sustain the position taken by the learned judge who tried this cause in the Circuit Court. I think I have shown that none of the authorities referred to by him, sustain the opinion in Adams *vs.* Burks. That the points decided in those cases, are not similar to the point now before the Court. That the *dicta* in these cases, *taken in connection with the cases in which they are given*, do not support the position taken by the appellee.

"It is a maxim," says Marshall, C. J., "that general expressions, in every opinion, are to be taken in connection with the case in which those expressions are used. If they go beyond the case, they may be respected, but ought not to control the judgment in a subsequent suit where the very point is presented for decision. The reason of this maxim is obvious. The question actually before the Court is investigated with care, and considered in its full extent.

Other principles, which may serve to illustrate it, are considered in their relation to the case decided, but their possible bearing on all other cases is seldom completely investigated."

Cohens *vs.* Virginia, 6 Wheaton, 399.

There being, then, no authorities to guide in the decision of this cause, it becomes necessary to argue it upon the elementary and general principles of the patent law.

"The monopoly granted to the patentee is for one entire thing; it is the exclusive right of making, using and vending to others to be used, the improvement he has invented, and for which the patent is granted. The monopoly did not exist at common law, and the rights, therefore, which may be exercised under it cannot be regulated by the rules of the common law."

Gaylor *vs.* Wilder, 10 How. 494.

The patent to Merrill and Horner was issued in 1863. Rights under it must be interpreted according to the patent law in force at that time.

The appellant claims title through an assignment from the patentees. Every patent is assignable in law either as to the whole interest, or any undivided part thereof, by any instrument in writing.

5 U. S. Stat. Act 1836, ch. 357, sec. 11, p. 121 (Little & Brown's ed.).

This section provides for three kinds of assignments.

1st. The whole interest.
2d. And undivided part.
3d. An exclusive right in any district.

Grier, J., in Blanchard *vs.* Eldridge, 1 Wallace, jr., p. 339.

The term exclusive in the above section comprehends not only an exclusive right to the whole patent, but an exclusive right to the patent in a particular section of country.

Washburne *vs.* Gould, 3 Story, 131.

Unless the assignment to Adams conveys to him the entire and unqualified monopoly which the patentees held in the towns of Natick and Sherborn, excluding the patentees themselves as well as others, Adams would have no right to sue in his own name.

Gaylor *vs.* Wilder, 10 How. 494.

No question is raised by the pleadings as to Adams' right to sue in his own name. That is admitted by the plea. We start, then, with the conceded fact that the assignment to Adams was the "entire and unqualified monopoly" which the patentees held in the towns of Natick and Sherborn, "excluding the patentees *as well as others.*"

It will not be pretended that Lockhart and Seelye, the assignees of another territory, had the right under their assignment, to make, use, or sell to others to use, the patented coffins in Natick. And yet it is claimed that they can, by virtue of their assignment, convey such a right to another. *Nemo plus juris ad alium transferre potest quam ipse habet,* was a maxim of the civil law. This maxim has been adopted in the common law, and constitutes a leading principle of the transfer of property, both real and personal. It is called by Thompson, J., "a plain dictate of common sense."

Ventress *vs.* Smith, 10 Peters, 174, 175.

If Burks has the right to sell the patented coffins in Natick, from whom did he derive that right? He claims by a peculiar operation of the patent law, — an operation which divests the thing patented of the protection of the law. I submit that before a patented article can be said to have been stripped of the protection with which the law clothes it, it must clearly appear that the patentee has done some act to take away that protection. What did Merrill & Horner, the patentees, do? They gave an exclusive assignment to Lockhart and Seelye, of the right to make, use, and sell to others to use, the patented coffins in Boston, *but in no other place.* They gave an assignment as exclusive to Adams, to make, use, and sell to others to use the patented coffins in Natick. Certainly the patentees did not intend to give the purchasers from Lockhart and Seelye the right to sell the patented coffins in the territory they reserved to themselves. Nor can I find in the assignment any such right.

The construction of patents should be in favor of the patentee. Formerly the construction of patents in England was strict against the patentee. Judges were "not favorers of patents." A more liberal policy has been adopted. "When we consider," says Mr. Justice McLean, "the inestimable advantages which result to the world from the labor, ingenuity and expense of inventors, so far from classing them with monopolizers, they should be regarded as public benefactors. And in order to secure to them the remuneration which the law provides, a liberal construction should be given to it."

Brooks *vs.* Jenkins, 3 McLean, 437.
Parker *vs.* Haworth, 4 " 372.
Parker *vs.* Stiles, 5 " 54.
Wilson *vs.* Rousseau, 4 How, 708.
Goodyear *vs.* The Railroad, 2 Wall. Jr. 363.

Probably the reason why this question of so much importance has never been presented to the Supreme Court before, is, that the business community throughout the country have generally supposed that the sale of a patented article in the territory of an exclusive assignee was illegal under the circumstances shown in this case; and those selling in the territory under similar circumstances have, when notified by the assignee, ceased selling. Thousands of patents have been divided into territorial rights, as this patent is. If the opinion of the Circuit Court is sustained great and irreparable injury will follow. Assignees who have paid patentees large sums for territorial rights, who have incurred vast expense in machinery and means for manufacturing under the patent, and in introducing the thing patented into the market of the territory, under the belief that the assignments gave them the right "to exclude the patentees as well as others" from selling the patented article in the markets in said territory, will discover that their right is of but little value. Patentees who have reserved part of the territory to themselves, for the purpose of exclusively manufacturing, using, and selling to others to use, the thing patented, in the reserved territory, will awake to a like discovery. The owner of a territorial right, where labor is cheap, will, by a colorable sale of the patented article in his territory, flood the territory of the assignee, where labor is dear. The patented article coming from the first territory will be sold for less than those manufactured in the last territory. It would be time, then, for this latter assignee to close his shop. His occupation would be gone. If the decision is sustained, all that it will be necessary to do, in order to practically enjoy a monopoly of the whole country under a patent, is to purchase a right in some particular locality which affords such facilities for cheap manufacture, that the whole United States may be supplied from that point at prices that would defy competition in any other locality, erect there a factory, and through middlemen, send the patented goods all over the United States.

The purchase by Burks of the patented coffin was not like that of a purchase in market overt, which according to the English law gives to such a vendee without notice a valid title, though the thing sold was stolen by the vendor. Burks, before purchasing the patented coffins, was notified by Adams of his exclusive right, under the patent, to Natick, and was requested by Adams not to buy of Lockhart and Seelye the patented coffins to be sold in Natick.

Transcript of Record, p. 5.

There is no law recognizing the English law respecting sales in market overt in Massachusetts, nor in any of the United States.

Dame *vs.* Baldwin, 8 Mass. 521.
Towne *vs.* Collins, 14 Mass. 500.
Ventress *vs.* Smith, 10 Peters, 175.

In Boyd *vs.* Brown, 3 McLean, 295, the complainant was the exclusive assignee, within the county of Hamilton, Ohio, of a certain patented machine for making bedsteads. The respondent was the exclusive assignee of said patent within the county of Dearborn, Indiana. Brown manufactures bedsteads in Dearborn county, and sells them in that county. Some of these bedsteads are afterwards sold in Hamilton county. The question was, whether the complainants' right was infringed by a sale of the article within the limits of the territory claimed by the complainant. The Court decided that the article may be sold at any and every place, by any one who has purchased it for speculation or otherwise. Why this decision? Because the patent in this case was not on the bedsteads, but on the machine which made the bedsteads. The bedsteads were the product of the machine, and the law protects the thing patented and not the product. "The exclusive right," says the Court, " to make and use the instruments for the construction of bedsteads in Hamilton county is what the law secures under his assignment, to the complainant. *Any one violates this right, who either makes, uses or sells these instruments within the above limits.* But the bedstead, which is the product, so soon as it is sold, mingles with the common mass of property, and is only subject to the general laws of property."

If the position taken in Adams *vs.* Burks is correct, there is no need of drawing a distinction between the thing patented and its product. Either could be sold in Hamilton county against the will of the assignee of that territory.

EDWARD H. PIERCE,
CHARLES B. GOODRICH,
Of Counsel for Appellants.

Supreme Court of the United States.

JAMES ADAMS, APPELLANT,

vs.

ALPHEUS W. BURKS, APPELLEE.

ARGUMENT FOR APPELLEE.

BOSTON:
ALFRED MUDGE & SON, LAW PRINTERS, 34 SCHOOL STREET.
1873.

Supreme Court of the United States.

JAMES ADAMS, Appellant, *v.* ALPHEUS W. BURKS.

ARGUMENT FOR APPELLEE.

The plaintiff in this case brings his bill to restrain the defendant from using and selling, in the town of Natick, coffins made with a certain device or improvement, the subject of letters patent, of which the plaintiff claims to have taken an assignment for a certain territory, in which said town of Natick is included.

The defendant files a plea to the whole bill, alleging in substance, that he has sold or used in Natick no coffins made with the device or improvement covered by said letters patent, except such as have been sold to him outside of the territory included in the plaintiff's alleged assignment of the patent right, which have been lawfully made and sold without condition or restriction by other assignees of the same patent, within territory included in the assignment to them. It does not appear, and is immaterial whether the defendant bought directly of such other assignees of the patent right, or of dealers to whom they had sold.

The case is set down for hearing upon the bill and plea, presenting for decision this question: When a patented article has been lawfully made by a territorial assignee of the patent right, and sold by him without condition or restriction within

the territory included in his assignment, does the first or subsequent purchaser acquire the right to use or sell the article in another territory for which another person has taken an assignment of the same patent? The circuit court, holding the affirmative of this question in an opinion which is printed and annexed to this argument adjudged the plea to be good, and dismissed the plaintiff's bill.

I.

By the lawful sale of an article containing a patented improvement, or of a patented substance, or the result of a patented process, the purchaser acquires no portion of the franchise which the patent secures, but an article, which has contributed the royalty to the patentee, has passed from under the protection of the Act of Congress, is discharged of all the rights impressed upon it by the patent laws, and has ceased to be within the limits of the monopoly. He may use it in the ordinary pursuits of life, repair it, improve it or sell it. For the protection and enforcement of these rights, he cannot resort to the courts of the United States except under circumstances, which, independently of the patent laws, give jurisdiction to those courts, but must look to those tribunals which protect him in the enjoyment of his other property and rights.

Wilson v. *Rousseau*, 4 Howard, 646.
Bloomer v. *McQuewan*, 14 Howard, 539.
Chaffee v. *Boston Belting Co.* 22 Howard, 217.
Bloomer v. *Millinger*, 1 Wallace, 340.
Mitchell v. *Hawley*, 16 Wallace.
Aiken v. *Manchester Print Works*, 2 Clifford, 435.

In *Wilson* v. *Rousseau*, the distinction was first established between the rights of an assignee of a portion of the franchise conferred by the patent, and those of a purchaser of the patented

product or result, the Court holding, that under the eighteenth section of the patent act of 1836 (5 Sts. 124), the rights of the latter are not affected by a renewal of the patent after the purchase.

In *Boomer* v. *McQuewan*, the distinction pointed out in *Wilson* v. *Rousseau* is followed, and the decision is put expressly upon the ground, that when the patented product passes lawfully into the hands of a purchaser, it is no longer within the monopoly, but outside of it. *p.* 549.

The same doctrine, in substantially the same language, is stated and held in the opinion of the Court in *Chaffee* v. *Boston Belting Co.* deciding that a purchaser acquiring a title to an article, which is the subject of letters patent, from a person authorized to convey it, may continue to use it until it is worn out, or may repair or improve upon it *in the same manner as if dealing with property of any other kind.* *p.* 223.

II.

The lawful purchase of a patented product from a licensee, restricted by the terms of his license to the production of it in one form, or fitted for one use only, vests in the purchaser the right to use it for any purpose, and to apply it to the manufacture of articles, which the seller is, by his license, restricted from manufacturing.

Goodyear v. *Beverly Rubber Co.* 1 Clifford, 348.
Washing Machine Co. v. *Earle*, 3 Wallace, Jr. 320.

In the former of these cases, decided in the first circuit in 1859, the facts were these: Charles Goodyear, the inventor and patentee of a process for making vulcanized rubber, had licensed certain persons to make it; but each licensee was restricted as to the articles which he might manufacture. One was permitted to make rubber shoes, another clothing, another tubing, and so

on. The defendants, being neither licensees nor assignees of any interest in the patent, bought worn out rubber shoes made and sold by licensees, who were restricted by their licenses from making rubber in any form other than shoes, and used the material for the production of various articles of merchandise; and the bill was brought to restrain them from so doing by the patentee and several of his licensees. The Court held, that the patent covered the product as well as the process; and further, that the defendants had the right to buy and use the shoes in the manner stated and complained of. The following passages taken from the opinion of Mr. Justice Clifford, who decided the case, show the reasoning by which this result was reached: "Whether the inventor in any given case has a patent for the article manufactured, or only for the product or the material of which it is composed, the unconditional sale of the manufactured article carries with it the absolute dominion over the material, as well as over the manufactured article. Having manufactured the material and sold it for a satisfactory compensation, whether as material or in the form of a manufactured article, the patentee, so far as that quantity of the product of his invention is concerned, has enjoyed all the rights secured to him by his letters patent; and the manufactured article, and the material of which it is composed, go to the purchaser for a valuable consideration, discharged of all the rights of the patentee previously attached to it, or impressed upon it, by the Act of Congress under which the patent was granted. Few decided cases are to be found bearing on this question, and none perhaps where it has been directly determined. Those which come nearest to the point in the Federal courts are *Bloomer* v. *McQuewan* and *Wilson* v. *Rousseau*."—"In using it he [the purchaser] exercises no rights created by the Act of Congress, nor does he derive title to it by virtue of the franchise or exclusive privilege granted to the patentee. Whether the inventor had a patent or not, he might lawfully sell it to him, if no other patentee stood in the way."—

"*Chaffee* v. *Boston Belting Co.* affirms the rule, that when the patented machine rightfully passes to the hands of the purchaser from the patentee, or from any other person by him authorized to convey it, the machine is no longer within the limits of the monopoly. By virtue of the contract of sale, and the unconditional delivery of the manufactured article, it passes outside of the monopoly, and is no longer under the peculiar protection granted to patented rights. Whenever a valid sale of the patented article is thus made, it then becomes the private property of the purchaser, and is no longer protected by the laws of the United States, but by the laws of the State, in which it is situated."

The decision of Mr. Justice Grier, in 1861, in the third circuit, in *Washing Machine Co.* v. *Earle*, is an independent authority to the same point, and is based upon similar reasoning.

No tenable distinction in principle can be established between these cases and the one at bar. The plaintiff's argument is, that Lockhart & Seelye cannot use, or sell outside of a circle, which does not include Natick, and that the defendant, by purchase from them, can acquire no right greater than theirs, and therefore no right to use or sell in Natick. But, in the cases cited, the purchasers were held to acquire, by their purchase, the right to make a use of the thing purchased, which their respective sellers had no right to make. The rights of the assignee or licensee of the patent right, in both cases, are limited; in the one case by territorial limits, in the other by the limits of subject-matter; and if the purchaser from the assignee or licensee of the latter class is not bound in the use and enjoyment of his purchase by the limits which bind his seller, there seems to be no principle which will limit the purchaser from an assignee or licensee of the former class in the use which he is at liberty to make of his purchase.

If an attempt be made to distinguish the two cases, upon the

ground that the eleventh section of the Act of 4th July, 1836, authorizes the restriction of a grant of the monopoly conferred by the patent to any specified portion of the United States, while the restriction to one purpose or use only of a grant of the right to use a patented process or product is not sanctioned by any Act of Congress, there are two answers to be made:

1. The decision of the cases cited is not put upon any such ground. The restriction on the licensee or assignee was not held void or ineffectual.

2. But if it were, the restriction to any specified portion of the United States of a grant of the right to sell to others for use is equally unsanctioned by any Act of Congress. The grant sanctioned by the eleventh section of the Act of 1836 is, "every grant and conveyance of the exclusive right, under any patent, to make and use, and to grant to others to make and use, the thing patented, within and throughout any specified part or portion of the United States." 5 Sts. 121.

In this connection, it is well to notice that the same act, in the fifth section, prescribes the form of the letters patent, and provides that it shall be a grant of the full and exclusive right and liberty of making, using, and vending to others to be used. When, in the same act, provision was made for the grant, within and throughout a portion of the United States, of a part of the franchise secured by such letters patent, the omission to make this provision in terms include the right of vending to others to be used, as secured by the form established for the letters patent by the same Act of Congress, could not have been accidental; and there could be no reason for the omission, unless it was the intent of Congress that, for the purposes of sale, there should be but one monopoly, and that a sale anywhere by an authorized person should discharge the thing sold of the monopoly throughout the United States.

The reasonableness of such an intent is apparent from the

consideration, that otherwise there would be no end to the royalties, which the purchaser of a patented article from a person authorized to make and sell it might be obliged to pay, and no end to the suits for infringement to which he might be exposed. As in the case of the egg boxes, decided by Mr. Justice Sawyer, and hereinafter referred to.

An argument *ab inconvenienti*, urged by the plaintiff is, that if the position taken by the defendant is supported, the assignee for a limited territory of the right to make and sell a patented article may be able, in consequence of the cheapness of materials, the price of labor or some other advantage of position, to make and sell cheaper than persons elsewhere and thus be enabled to supply the whole United States. But this argument applies with equal force to the product of machines; take, for example, planks and boards produced by a planing or sawing machine, and it has been long held that the assignee of the right to use such a machine in a limited territory may sell the product anywhere in the United States.

Simpson v. *Wilson*, 4 Howard, 709.

III.

A consideration of what is granted by letters patent will not be out of place here, and the nature of the grant has been fully considered by the courts in the cases already cited.

The grant in terms is of the right,

1. To make.
2. To use.
3. To vend to others to be used.

Mr. Chief-Justice Taney in *Bloomer* v. *McQuewan* said, "the patent grants the right to exclude every one from making, using, and vending the thing patented, without the permission of the patentee."

When the patented article has been lawfully made, added to the chattels in existence and sold by the patentee or by an assignee of the right to make and sell, there has been no infringement of the monopoly, and all the rights secured by the patent have been exercised. The purchaser's right to use is a common law right, unprotected by and independent of the patent. In using he exercises no right created by the Act of Congress. No further right as to that particular article is secured by the patent to any one, and it therefore follows that the purchaser may do what he pleases with his purchase without infringing any rights secured by the patent.

A patent is founded upon mutual consideration. An inventor is under no legal obligation to publish or dedicate his invention, or to manufacture the article, or to sell it. The mutual consideration is this: the inventor publishes his invention, dedicates it ever after to public use, and manufactures the article, or authorizes its manufacture and supplies the market by original sales. In consideration of this, the public secures to him, for a term of years, the sole right thus to supply the market. From the time the patent is taken out, the public has the free right to the invention, subject to this privilege of the market in the patentee. If the patentee during the life of his patent authorizes A to manufacture one chattel and sell it, the consideration he receives from A is all the patent law entitles him to, as regards that chattel. All else is the property of the public, as to that chattel. The patentee's right, or royalty, is to receive a pecuniary consideration for the making of the article or authorizing others to make it, and to make the original sale of it. When the original sale has been made, the chattel has passed into the market for use or resale indefinitely. The only difference between a patentee and an inventor who has published his invention without a patent is, that the former, during the term of his patent, may require a pecuniary consideration for permitting each act of manufacture and original sale. If he has permitted the manu-

facture and original sale of a chattel, whether with or without such consideration, or whatever be the consideration, he has exhausted and parted with his rights and privileges in and to that chattel.

It is doubtful whether by any covenants or agreements between the patentee and his assignee for a limited territory of the right to make and sell the patented article, the right of a purchaser, who buys without condition or restriction, to use and sell can be limited, although the seller might be liable on his covenants or agreements. But if this right of such a purchaser to use and sell can be affected, it can only be when the assignment is of a right to make and sell for use only within the assignee's territory, and not of a general and unrestricted right, to be exercised within a certain territory, to make and sell.

Hawley v. *Mitchell*, 16 Wallace, and other cases above cited.

IV.

There is one authority directly in point. This is the decision in *McKay* v. *Wooster*, reported in the Official Gazette of the United States Patent Office, Vol. 3, No. 16, April 22, 1873, p. 441. This case was decided after and partly on the authority of the decision of Mr. Justice Shepley in the case at bar, but the principle involved is ably discussed and has received further illustration in the opinion of Mr. Justice Sawyer, and the argument derived in that opinion from the priority of the assignment to Billings over that to McKay is fully applicable to the case at bar. It appears from the record, *pp.* 2 and 4 that the assignment to Lockhart and Seelye preceded that to the plaintiff by a period of more than three years.

R. H. DANA, JR.
Of Counsel.

L. S. DABNEY,
Solicitor.

NOTE. In the printed record in the sixth line of the fourth page, the word duly is erroneously printed *only*, and the same error again occurs in the seventh line from the bottom of the fifth page.

OPINION OF MR. JUSTICE SHEPLEY.

The complainant in this case is the assignee of a territorial right, for the towns of Natick and Sherborn in Massachusetts, in the patent issued to Merrill and Horner, for a new and useful improvement in coffin lids. The defendant is charged in the bill with an infringement of the complainant's rights under the patent in the town of Natick. The defendant by plea sets out in defence that Merrill and Horner have assigned to Lockhart and Seelye of Cambridge, all their right, title, and interest in the invention, secured by the letters patent, "for, to and in a circle whose radius is ten miles, having the city of Boston as its centre." Such a circle would not upon any construction of the terms of the grant, include the towns of Natick and Sherborn. Defendant's plea further sets out that he is an undertaker, and that in his business as an undertaker he has used and sold no coffins containing the invention secured by letters patent, except such coffins containing said invention as have been manufactured by Lockhart and Seelye within a circle whose radius is ten miles, having the city of Boston as its centre, and sold within said circle by said Lockhart and Seelye without condition or restriction.

The case is set down for hearing on bill and plea. The facts in the case, for the purposes of this hearing, are admitted and not in controversy. The only question presented in the case is this: does the purchase of a patented article, lawfully manufactured and sold without restriction or condition within his territory, by the territorial assignee of a patent right, convey to the purchaser the right to use or sell the article in another ter-

ritory, for which another person has taken an assignment of the same patent?

When a patented product passes lawfully into the hands of a purchaser without condition or restriction, it is no longer within the monopoly, or under the protection of the patent act, but outside of it. *Chaffee* v. *Boston Belting Co.* 22 Howard, 217; *Bloomer* v. *Millinger*, 1 Wallace, 340; *Aiken* v. *Manchester Print Works*, 2 Clifford, 435.

In *Goodyear* v. *Beverly Rubber Co.* 1 Clifford, 348, Mr. Justice Clifford, commenting upon the cases of *Bloomer* v. *McQuewan*, 14 Howard, 549, and *Wilson* v. *Rousseau*, 4 Howard, 646, says, "Both of those cases affirm the rule, that when the patented machine rightfully passes to the hands of a purchaser from the patentee, or from any other person by him authorized to convey it, the machine is no longer within the limits of the monopoly, and is no longer under the peculiar protection granted to patented rights." It is clear that by such a sale the purchaser acquires an absolute title to the manufactured product which is the subject of a patent, and may deal with it in the same manner as if dealing with any other kind of property. He may use it, repair it, improve upon it, or sell it. Subsequent purchasers acquire the same rights as the seller had, and may do with the article or its materials whatever the first purchaser could have lawfully done if he had not parted with the title.

Undoubtedly the assignee or licensee of the right to make and vend the patented product is bound by his contract and cannot exceed it. In this case the assignee of the territorial right for Boston and its vicinity was fully authorized to make the patented article and sell it in the market. When therefore he sold the patented coffins, the royalty upon them was paid and the purchaser took the property discharged of the peculiar privileges secured by the patent. If this were not so, the purchaser of a manufactured patent article of wearing apparel might be liable for the use of the patented article in every town and city

through which he might travel, in which there might be an assignee of a distinct territorial right, although he had purchased it of one having a lawful right to make and sell so as to convey an absolute and unrestricted title.

Defendant's plea adjudged good.